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PHILIP MORRIS U. S. A.

INTER-OFFICE CORRESPONDENCE

Richmond, Virginia

To: D. B. Knudson **Date:** July 13, 1988

From: E. G. Craze

Subject: Reduced Density Rod Program

Attached is an updated developmental plan for the Reduced Density Rod program. The plan divides the program into five major parts; Binder Technology, Binder Application, Reduced Density Cigarette Making, Product Development and Commercialization. Resource requirements include the entire Tobacco Fundamentals Division (10 professionals, 7 technicians) and impacts on all Divisions within R&D. Total R&D personnel resources are estimated to be 39 people per year through 1989. In addition, significant PM USA Engineering resources (to be defined by Engineering) will be required for scale-up and commercialization of the process and associated equipment.

With the program being product driven, the critical path involves; 1) product definition, 2) design, fabrication and development of a high speed making complex and 3) design and installation of the commercial process. It is estimated that product advantages will be verified and a potential product will be defined by the end of the first quarter, 1989. Once commercial product viability has been established, work will be initiated with Engineering to scale-up the cigarette making process and define commercialization requirements.

The commercialization date for a reduced density product is estimated to be during 1992 and is highly dependent upon the commitment towards scale-up and commercialization of the process.

Attachment

cc: Directors
Managers
A. C. Lilly
P. Martin
R. Mullins
W. Nichols

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